



Mission

Protect the public by ensuring that
gambling is legal and honest

Revised Budget for the 2013-15 Biennium

August 8, 2013



Items we'll cover:

- **Background**
- **FY13 financial results**
- **Review 13-15 Biennium Budget approved in August 2012**
- **Items that change approved 13-15 Biennium Budget**
- **Proposed revised 13-15 Biennium Budget**
- **Commission Action on revised 13-15 Biennium Budget**



RCW 9.46

Gambling

9.46.070

Establish a schedule of annual license fees to provide money to cover all costs of licensing and enforcement.



9.46.100

The Gambling Revolving Fund is created. Disbursements shall be on authorization of the Commission. No appropriation shall be required to permit expenditures and payment of obligations from such fund.



FY13 Financial Results

		FY13 Budget as Planned	FY13 Actual Results	FY13 Results as Percent of Budgeted Amount
Revenue ♦		\$12,914,247	\$12,523,901	97.0%
Expenditures	Gambling Revolving Account ♦	\$13,361,867	\$12,389,277	92.7%
	Federal Seizure Account	\$1,550,962	\$1,475,192	95.1%
	State Seizures Account	\$50,000	\$48,209	96.4%
	Ind. Ins. Prem. Refund Acnt.	\$8,000	\$476	6.0%
	Total	\$14,970,829	\$13,913,154	92.9%
FTEs		153.5	142.92	93.1%
Ending Working Capital Balance ♦		\$2,146,380	\$2,720,302	

Note: \$1,523,401 (almost 11%) of total expenditures were paid with Seizure Funds.

♦ Revenue and Working Capital Balance are for the Gambling Revolving Account.

August 8, 2013



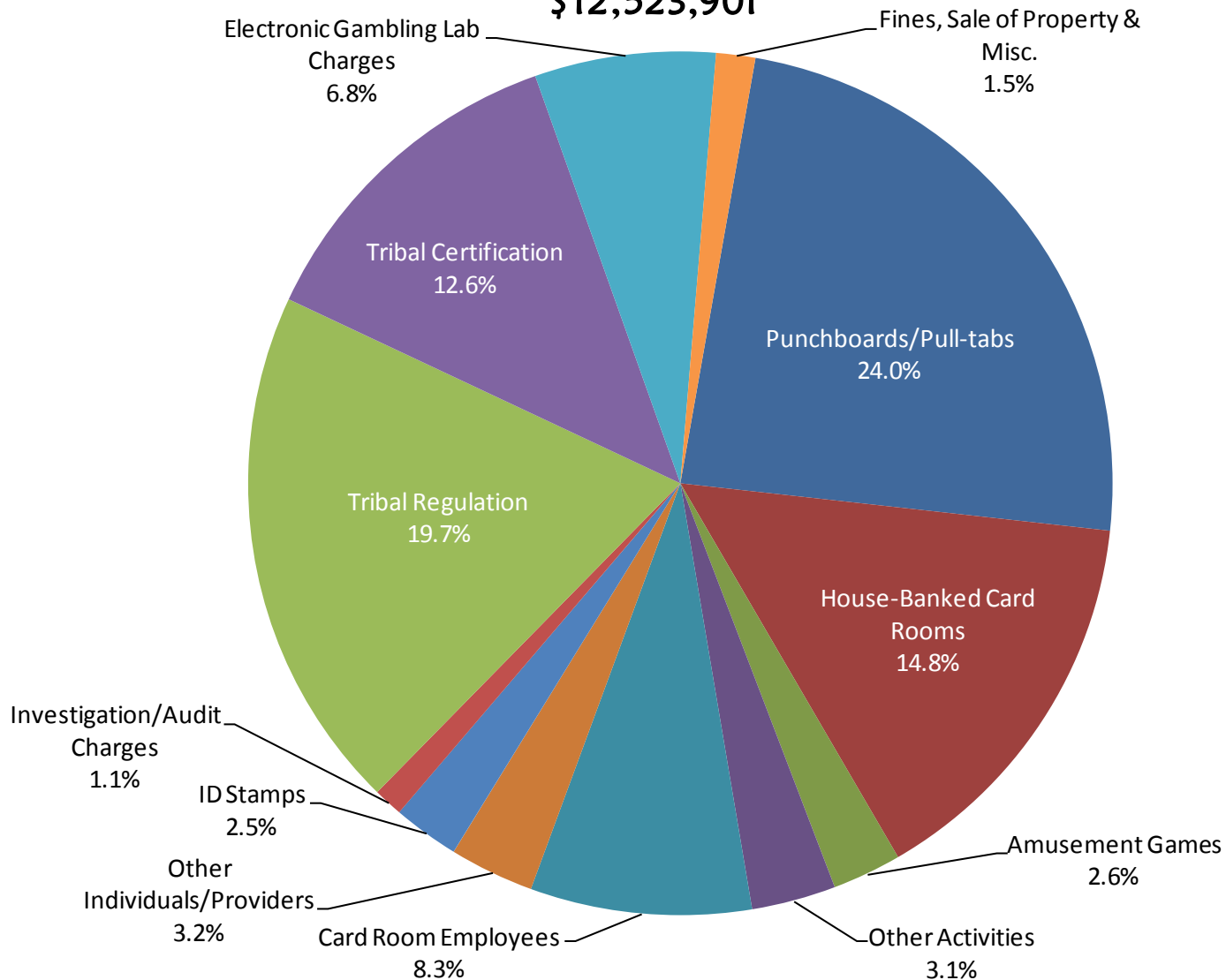
Estimated and Actual Revenues by Source -- FY13

Source:	FYTD through June 30, 2013			
	Estimated	Actual	Difference	% of Estimate
PB/PT	\$2,888,000	\$3,003,000	\$115,000	104.0%
HBCR	\$1,885,000	\$1,859,000	(\$26,000)	98.6%
Tribal Certification	\$1,586,000	\$1,540,000	(\$46,000)	97.1%
Tribal Regulation	\$2,559,000	\$2,436,000	(\$123,000)	95.2%
CRE	\$1,201,000	\$1,036,000	(\$165,000)	86.3%
ID Stamps	\$319,000	\$310,000	(\$9,000)	97.2%
Inv. & Reviews	\$136,000	\$136,000	\$0	100.0%
Fines & Forfeits	\$150,000	\$129,000	(\$21,000)	86.0%
Raffles	\$196,000	\$227,000	\$31,000	115.8%
Amusement Games	\$263,000	\$326,000	\$63,000	124.0%
Bingo	\$104,000	\$102,000	(\$2,000)	98.1%
Elec. Gambling Lab	\$1,069,000	\$847,000	(\$222,000)	79.2%
All Other **	\$560,000	\$572,000	\$12,000	102.1%
All Sources	\$12,914,000	\$12,524,000	(\$390,000)	97.0%

** Includes Public Card Rooms, Combination Licenses, FREs, Social Card Rooms, Gambling Manufacturers and Representatives, Gambling Distributors and Representatives, Nonprofit Gambling Managers, Commercial Gambling Managers, Services Suppliers, Linked Bingo Provider and Representatives, and Miscellaneous Sources.

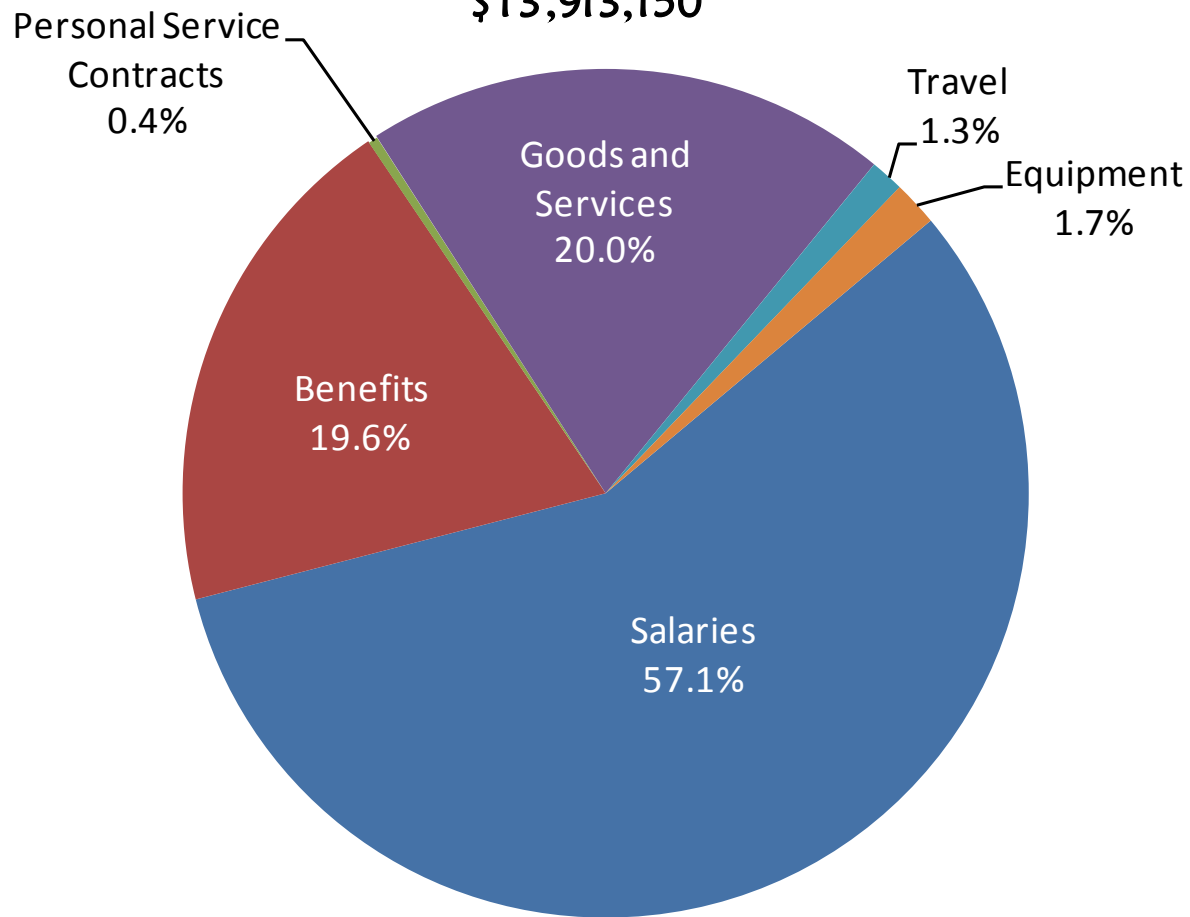


Gambling Revolving Fund FY13 Revenue by Source \$12,523,901





FY13 Expenditures by Object and FTEs \$13,913,150





13-15 Biennium Budget Approved by Commission August 9, 2012

	Dollars				FTEs		
	FY14	FY15	13-15 Bien.		FY14	FY15	13-15 Bien.
Gambling Revolving Account Revenue	\$12,931,488	\$13,134,072	\$26,065,560				
Planned Expenditures by Fund:							
Gambling Revolving Account	\$12,782,087	\$13,284,503	\$26,066,590		139.00	144.50	141.75
Federal Seizure Account	\$641,860	\$470,118	\$1,111,978		0.50	0.00	0.25
State Seizures Account	\$1,513,708	\$911,596	\$2,425,304		9.00	0.00	4.50
Ind. Ins. Prem. Refund Acct.	\$8,000	\$8,000	\$16,000				0.00
Total Approved Expenditures	\$14,945,655	\$14,674,217	\$29,619,872		148.50	144.50	146.50
Planned Gambling Revolving Account Ending Working Capital Balance	\$2,295,781	\$2,145,350					

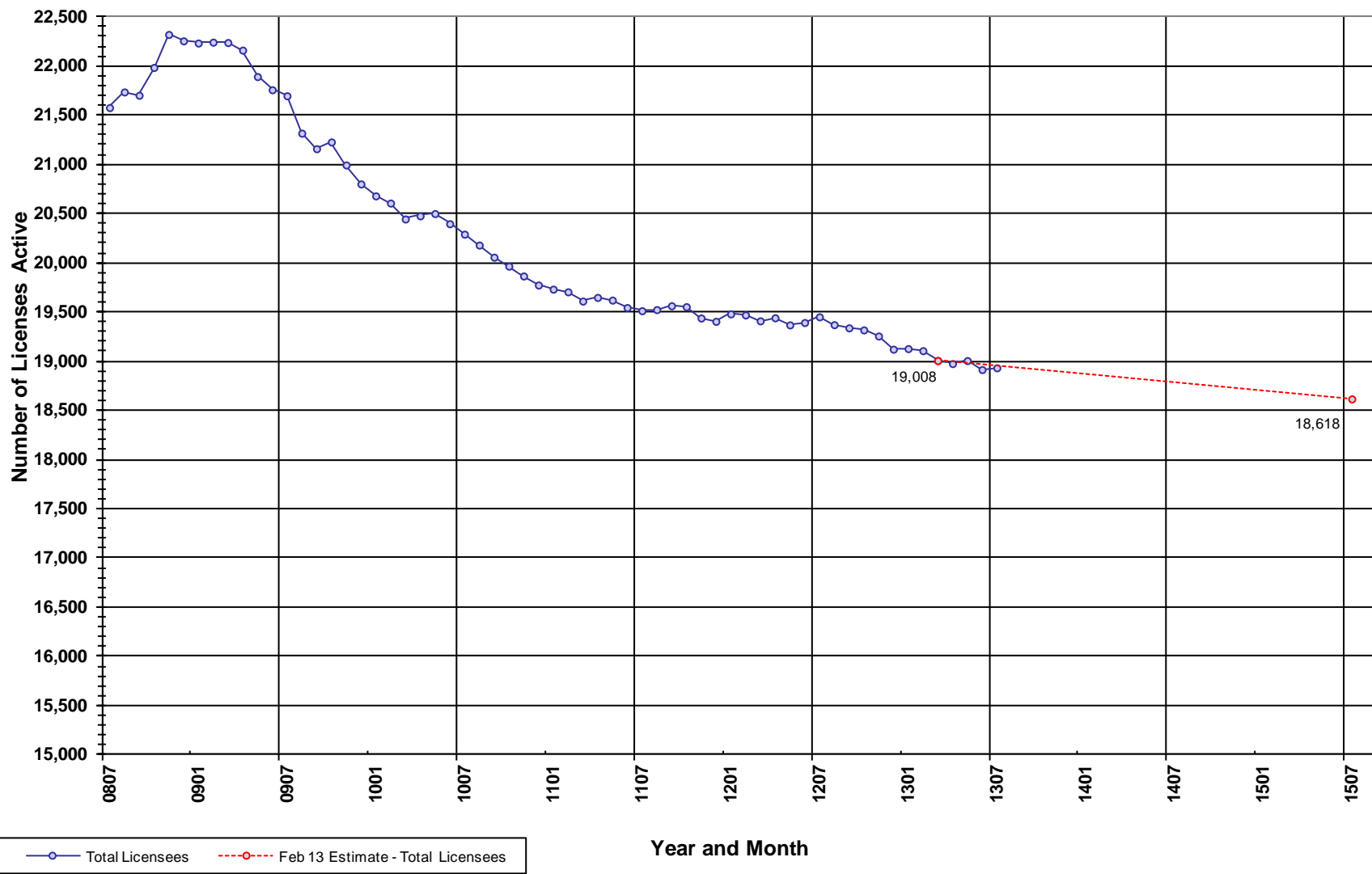


Items that change approved 13-15 Biennium Budget:

- ❖ Revenue estimates
- ❖ Adjustments related to Legislative Action
 - * Step M added to general service employee compensation plan
 - * Health insurance contribution rate decreased
 - * Enterprise information technology security services charge increased
- ❖ Staff initiated Adjustments
 - * Expenditure realignment
 - * Move qualified costs between funds
 - * Reduce FTEs
 - * Decision Package



Organization Licenses, Individual Licenses, and Tribal Certifications Actuals and Expected Trends





Changes in Active Licenses/Certifications by Major Sources of Revenue

Between June 2008, June 2011, June 2012 and June 2013

	2008	2011	2012	2013	Percent Change 2008 to 2013
Punchboard/Pull-Tab Licenses	1,500	1,297	1,250	1,195	-20.3%
Bingo Licenses	185	180	172	176	-4.9%
House-Banked Card Room Licenses	86	65	63	53	-38.4%
Amusement Game Licenses	834	702	715	697	-16.4%
Raffles	626	674	697	704	12.5%
Manufacturer Licenses	41	44	44	44	7.3%
Manufacturers Representative Licenses	434	425	502	595	37.1%
Distributor Licenses	36	42	38	41	13.9%
Distributors Representative Licenses	71	64	58	57	-19.7%
Card Room Employee Licenses	7,253	5,513	5,449	5,015	-30.9%
Tribal Employee Certifications	9,599	9,593	9,619	9,520	-0.8%

August 8, 2013



Gambling Revolving Account Revenue

	FY14	FY15	13-15 Biennium
August 2012 Estimate	\$12,931,488	\$13,134,072	\$26,065,560
Current Estimate	\$12,333,938	\$12,395,109	\$24,729,047
Difference between 2012 and Current Estimates	-\$597,550	-\$738,963	-\$1,336,513

Notes:

- ❶ The revised estimate is based on active licenses trends updated in February 2013.
- ❷ No new fees or fee increases are included in the biennial revenue estimate, although staff are working on a proposal that would increase fees 5 percent for FY15



Proposed Revisions to the 13-15 Biennium Budget

		All Funds		
		FY14	FY15	13-15 Biennium
Budget Approved August 9, 2012		\$14,945,655	\$14,674,217	\$29,619,872
Proposed Revisions	Changes resulting from Legislative Action	\$100,740	\$136,196	\$236,936
	Expenditure Re-alignment	\$16,836	\$32,674	\$49,510
	Decision Package (Headquarter's space for Commission meetings)	\$28,258	\$0	\$28,258
	FTE reductions	-\$11,733	-\$330,091	-\$341,824
	Total of all Revisions	\$134,101	-\$161,221	-\$27,120
August 8, 2013 Proposed Revised Budget		\$15,079,756	\$14,512,996	\$29,592,752



Proposed Revised 13-15 Biennium Budget

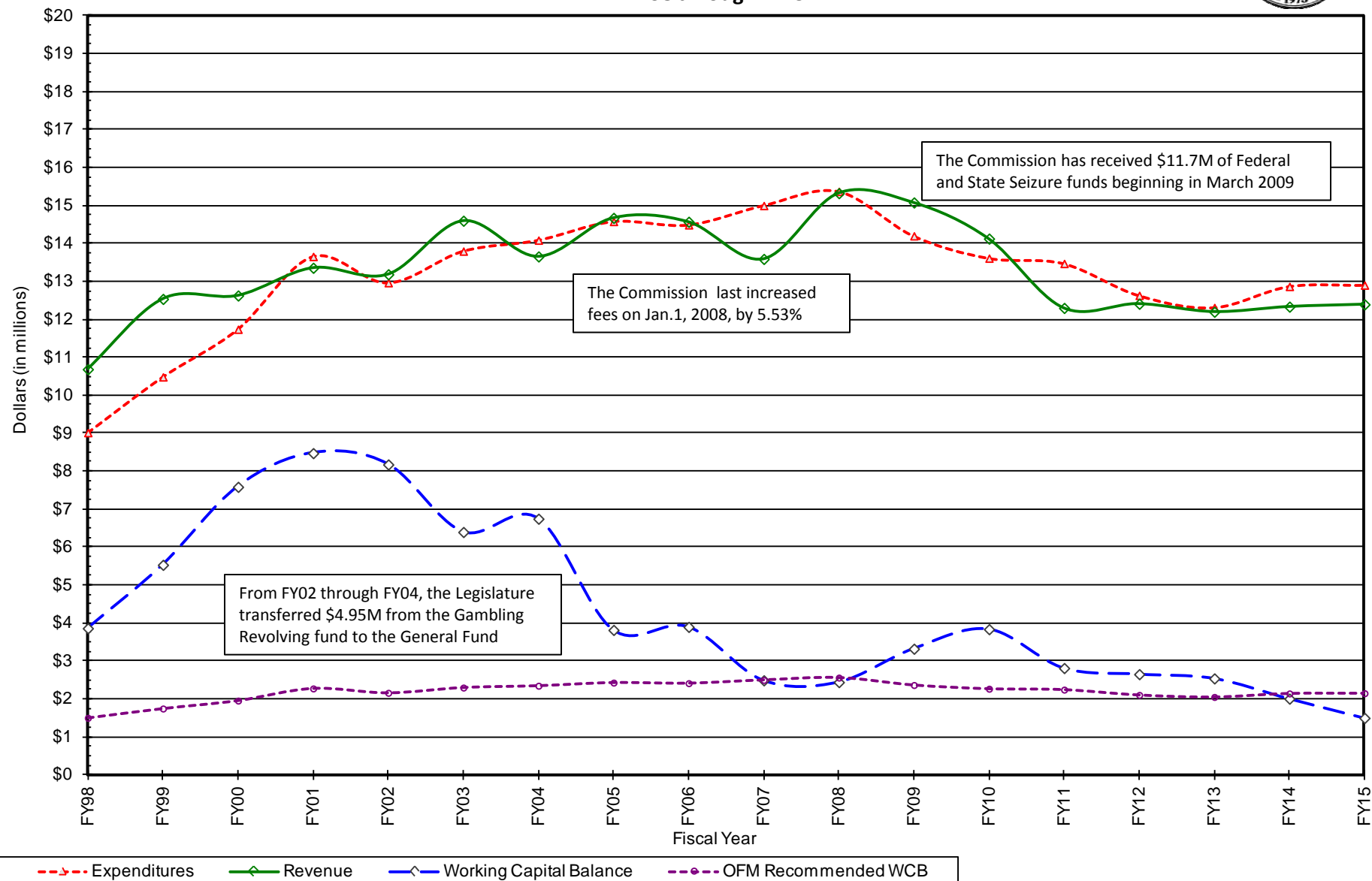
	Dollars				FTEs		
	FY14	FY15	13-15 Bien.		FY14	FY15	13-15 Bien.
Gambling Revolving Account Revenue	\$12,333,938	\$12,395,109	\$24,729,047				
Planned Expenditures by Fund:							
Gambling Revolving Account	\$12,949,637	\$12,957,140	\$25,906,777		137.00	134.00	135.50
Federal Seizure Account	\$609,242	\$317,360	\$926,602		0.00	0.00	0.00
State Seizures Account	\$1,512,877	\$1,230,496	\$2,743,373		9.00	4.00	6.50
Ind. Ins. Prem. Refund Acct.	\$8,000	\$8,000	\$16,000				0.00
Total Planned Expenditures	\$15,079,756	\$14,512,996	\$29,592,752		146.00	138.00	142.00
Planned Gambling Revolving Account Ending Working Capital Balance	\$2,104,603	\$1,542,572					

Note: This budget uses \$3,669,975 of Seizure Funds (12.4% of total expenditures) and is projected to leave \$17,013 in the Federal Seizure Account and \$220,858 in the State Seizures Account available for use during the 15-17 Biennium.



Gambling Revolving Fund

Actual and Estimated Revenues, Expenditures, and Year-End Working Capital FY98 through FY15





Staff Recommendation:
Approve Revised Budget for the 13-15 Biennium

Total Proposed Expenditures					
Dollars			FTEs		
FY14	FY15	13-15 Biennium	FY14	FY15	13-15 Biennium
\$15,079,756	\$14,512,996	\$29,592,752	146.00	138.00	142.00



Thank You